

RTO Responsiveness and Governance Working Group  
January 12, 2009  
Colonnade Hotel, Boston

Meeting Notes

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Introductory Notes from Co-Chairs:

- Anne George, ISO-NE, stated her understanding that this meeting was intended to identify issues for the group to discuss, and to reach consensus on how to proceed for future meetings. Ms. George stated that the group was under tight timelines in order to meet the April 28, 2009 compliance requirement under Order No. 719. Specifically, she noted that the Participants Committee must vote on any proposed changes to the governing documents at its April 3 meeting.
- John Burke, VT PSB, stated that he would like the group to reach agreement as soon as possible on consensus items so as to focus the group on those points that are not already agreed to.
- Kevin Conroy, MA AG, stated that the issues of scope are not easy to figure out but that ultimately it is important for the region to reach as much consensus as possible to demonstrate to the FERC that we can solve issues internally. Mr. Conroy stated his two goals for participation in this group, namely, to ensure that ratepayers have an opportunity to participate in setting energy policy for New England and to think about ways that attorneys general and other consumer advocates can be better included in the stakeholder process.
- Brian Forshaw, CMEEC, provided a brief history of competitive markets and stated his belief that we are getting to the price where consumers are paying too much for electricity, whether because of fuel prices or market design. Mr. Forshaw stated that there is a growing perception that electric consumer interests are underrepresented in the stakeholder process. Mr. Forshaw stated further that we need to understand the ramifications on consumer costs of wholesale market developments and noted that we may want to re-open the ISO mission statement in order to evaluate how consumer interests can be better incorporated as part of that equation.

Comments by Meeting Participants on Items for Consideration by Working Group, by Topic

- As discussed by the NEPOOL Participants Committee, the group should consider whether to maintain the existing NEPOOL Review Board or whether other minority protection mechanisms are required.

- The working group should review the whole NEPOOL governance structure, including sector membership qualifications and voting, the definition of abstention votes, sub-group (or working group) participation (standing and ad hoc), and sub-group (or working group) voting, or lack thereof. Minutes for sub-groups (or working groups) should be prepared in a timely and consistent fashion for those that cannot participate. A related issue is whether certain issues brought through NEPOOL should be voted on by all sectors (e.g., whether the ICR should have a different process given the amount of capacity supported by New England consumers).
- The results of the ISO customer surveys should be shared with the group.
- The right starting point for discussion would be ISO's summary of what it is doing now to meet responsiveness. It was requested that ISO post a summary of that document for the committee.
- The working group should focus on evaluating the effectiveness of the ways in which ISO believes it is compliant and whether any of those tools could be strengthened.
- It would be appropriate to develop metrics to objectively evaluate management practices and measure responsiveness, including creating senior management positions to oversee demand and renewable resources, improving regional access to the ISO board, and more transparency on feedback mechanisms, including ISO customer surveys.
- The ISO mission statement should reflect a consumer interest.
- The group should look at customer representation on the ISO board, but it was acknowledged that doing so explicitly could invite other segments of the market to also request dedicated representation.
- It is important for the region to conduct analysis on the cost implications of the many market rule and tariff changes that are made and consider the impacts of those decisions on the region in terms of how end users work and live. There was acknowledgement of the difficulty of defining the assumptions, goals and methodologies involved.
- It is important to focus on how customer perspectives can be better integrated into the stakeholder process among ISO, NEPOOL, and NECPUC and that the customer, or ratepayer advocate, perspective is not always the same as the state regulator. There was acknowledgement that some of these entities are already represented through NEPOOL's end user and publicly-owned entity sectors.

- There should be greater customer involvement in actions of the ISO and stated as an example a situation where an ISO decision resulted in significant uplift charges to end users without consultation from those parties.
- As we think about the ways to increase consumer perspectives in our governance proceedings, we should not create additional processes but rather incorporate that consumer perspective in our existing processes.
- It was noted that the impact of the group's work will be limited to wholesale, and not retail, prices.
- We need to be aware that every time we ask ISO to do something, there are costs with that and that needs to be considered by those around the table.

#### Summary Outline of Outstanding Issues/Agenda Items and Status

- ISO Mission Statement (*set for agenda for next meeting and posted*)
- Cost/economic analysis (*set for agenda following mission statement discussion*)
- Role of the States, including consumer advocates, NESCOE and NECPUC, in stakeholder process (*set for agenda following mission statement and cost/economic analysis discussion*)
- Transparency issues, e.g., meeting minutes, ISO actions
- Stakeholder process refinements, e.g., NEPOOL Review Board, sector membership qualifications and voting, enhancing minority representation
- Evaluation metrics (*noted that item will probably be taken up as we get to the end*)

#### Summary Outline of Action Items/Items to Be Posted and Status

- Customer survey information
- Summary of ISO's existing means of ensuring responsiveness (note: done)
- Other ISOs/RTOs mission statements and any cost/benefit analysis requirements
- Position papers of ISO-NE and APPA on cost/benefit legislation (note: done)